

TPT Simplification Task Force

Overview of Arizona's Tax Structure 1980 to Present

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Overview of Arizona's Tax Structure 1980 to Present

- **AZ General Fund Tax Revenues**
 - **State General Fund: 1980 to 2010**
 - **Cities General Fund Revenue**
- **State and Local Taxes Combined**
 - **Current Revenue Source Shares**
 - **Long-term Tax Level Trends**
 - **TPT Rate Comparisons**
- **Reasons for the Shift toward TPT**



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Overview of Arizona's Tax Structure 1980 to Present

- AZ General Fund Tax Revenues
1980**

Sales - 47%

Income - 34%

Property - 6%

Other - 13%

Source : The Maguire Company



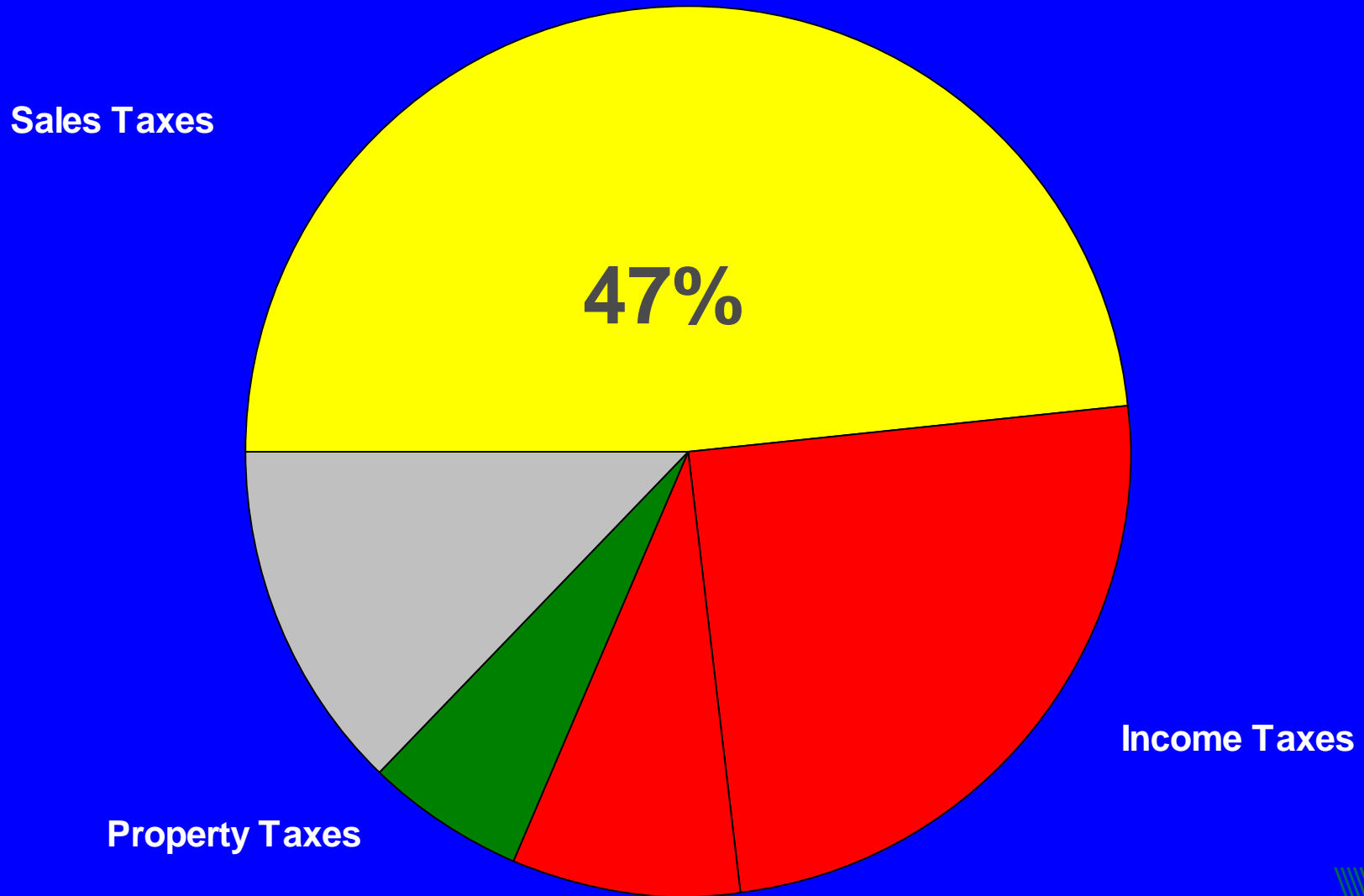
Overview of Arizona's Tax Structure 1980 to Present

- AZ General Fund Tax Revenues**

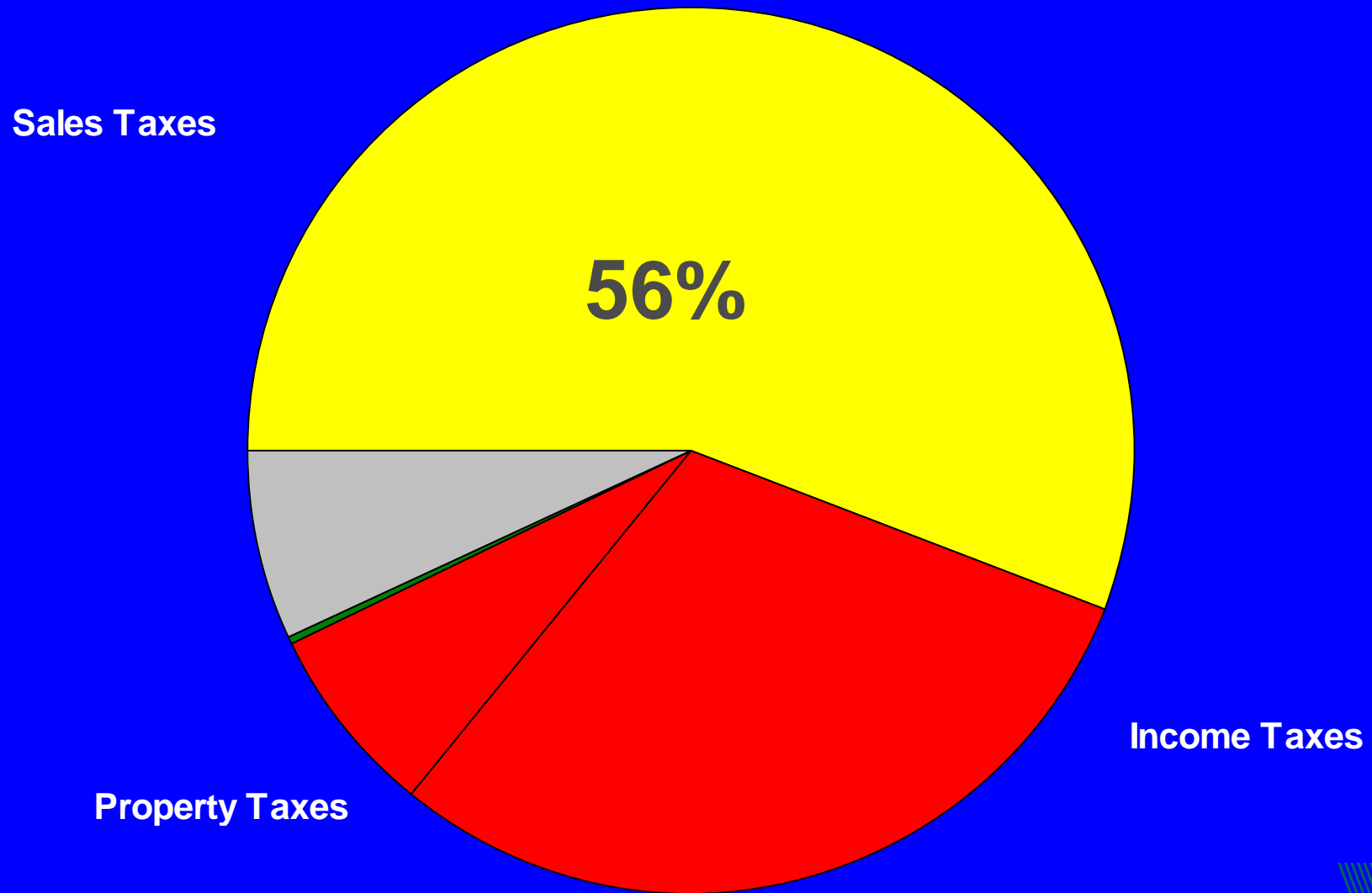
	1980	1990	2000	2010
Sales	47	48	50	56
Income	34	38	43	37
Property	6	4	1	0
Other	13	10	6	7



FY 1980 Average General Fund Tax Revenues



FY 2010 Average General Fund Tax Revenues



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- AZ General Fund Tax Revenues**
From 1980 to 2010

Sales	+ 9%
Income	+ 3%
Property	- 6%
Other	- 6%



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- AZ General Fund Tax Revenues**
From 1980 to 2010

Income **+ 3%**

Personal **+ 5%**

Corporate **- 2%**



Overview of Arizona's Tax Structure 1980 to Present

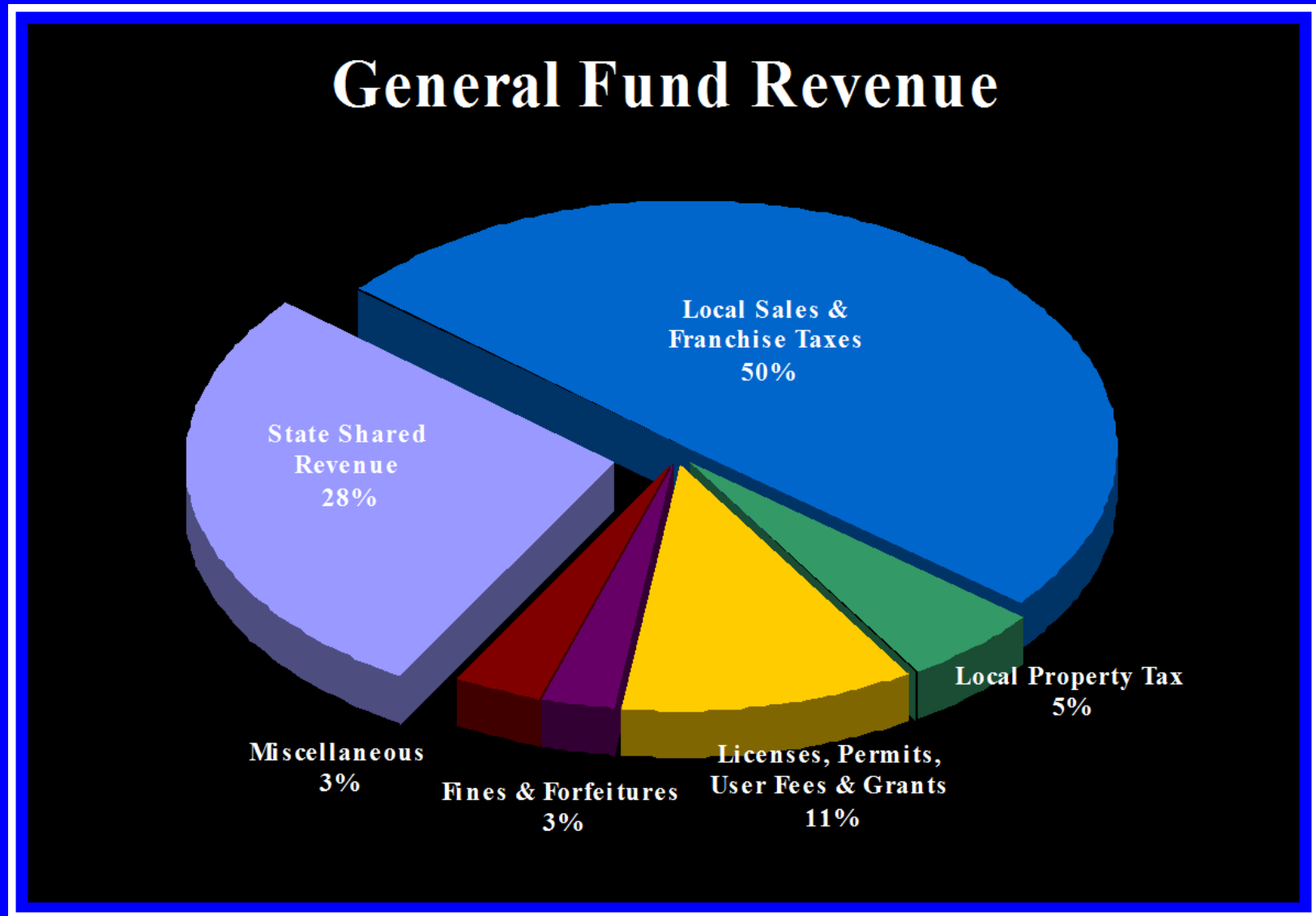
- **Overview of Arizona's General Fund
*Tax Revenues 1980 - 2010***

Share of Total

- **TPT /Sales Taxes *Up***
- **Personal Income Taxes *Up***
- **Corporate Income Taxes *Down***
- **Property Taxes *Down***



City Revenue Sources - Current



Source : League of AZ Cities and Towns

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Arizona Share among Big 4 2009

TPT / Sales	42%
Personal Income	14%
Corporate Income	3%
Property	40%

Source: Tax Foundation



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- State and Local Taxes Combined**

% Share among Big 4 - 2009

	AZ	CA	CO	NV	NM	TX
TPT	42	26	32	46	50	42
P Income	14	31	26	0	20	0
C Income	3	7	2	0	3	0
Property	40	37	40	54	26	58

Source: *Tax Foundation*



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% Share among Big 4 - 2009

	AZ	CA	CO	NV	NM	TX
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Arizona Trend over Time

Total Taxes as % of State Income

1980 9.2%

1990 9.8%

2000 8.6%

2009 8.7%

Source: Tax Foundation



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Trend over Time

% of State Income

	AZ	CA	CO	NV	NM	TX
1980	9.2	10.3	9.1	7.0	8.3	7.0
1990	9.8	10.3	9.5	7.5	9.8	8.0
2000	8.6	10.2	8.6	6.9	9.5	7.1
2009	8.7	10.6	8.6	7.5	8.4	7.9

Source: *Tax Foundation*



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- **State and Local Taxes Combined**

Trend over Time

% of State Income

	AZ	CA	CO	NV	NM	TX
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Source: *Tax Foundation*



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- **State and Local Taxes Combined
TPT/Sales 2012 Rate Comparison**

AZ	9.01%	NV	7.93%
CA	8.11%	NM	7.24%
CO	7.44%	TX	8.14%

Source: Tax Foundation



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- **Reasons for the Shift toward TPT**

Broad Based Tax

Significant Revenue Generator

No Constitutional Constraint

The *New* Local Property Tax



Overview of Arizona's Tax Structure 1980 to Present

- **Reasons for the Shift toward TPT**

Most Acceptable Option

Overwhelming preferred by Voters

Not a Property Tax!

Property Owners Equal Voters

Rising Residential Property Taxes



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Questions?

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